

RX MEDICAL FAMILY OF COMPANIES (NON-CLINICAL  
COMPANIES COMPLIANCE MANUAL)

**CODE OF BUSINESS CONDUCT AND  
PROFESSIONAL ETHICS**

**OF**

**ZB RX Medical, LLC**

**RX MEDICAL, LLC**

**ROK MEDICAL MANGEMENT, LLC**

**ROK SALES, LLC**

**(collectively, “Company”)**

**As Revised: Effective November 1, 2020**



## A MESSAGE FROM OUR CHIEF OPERATING OFFICER

April 6<sup>th</sup> 2018

Since its founding, the RX Medical Family of companies has strived to maintain a standing within our various business geographies as an ethical, moral and professional organization that is beyond reproach in regard to our conduct in the business segment. The institution of our company vision and our company core values in late 2007 were another step in this ongoing process.

Our ownership has an obligation to our employees to maintain a company that we can all be proud of. We also seek to be an organization where our customers and business partners know they are being treated honestly, fairly and with their best interests at the core of our efforts. To better strengthen a foundation that reflects these ideals, we have created our Company's Code of Business Conduct and Professional Ethics.

Our Code applies to every employee and private contractor working for, or as a partner with, Company, as well as company officers and ownership. Please take the time to ensure that you read this Code carefully. We feel strongly that every employee make the necessary personal commitment to understand and comply with the policies and procedures herein.

We require all employees, 1099s and/or agents commit to this Code. If you have a question or concern regarding what is proper conduct for you or any other employee, immediately raise the issue with your manager, the COO, our Compliance Officer, or our Director of Human Resources. Nothing, including competitive spirit, delivering quota, or even an order from your manager, should preclude you from your commitment to integrity.

The Company's managers and officers will not only be held to this same Code, but are expected to foster the Code's principals throughout the organization. Our leaders must always address employees' concerns regarding appropriate conduct promptly, with great care, respect and discretion.

We are all privileged to work for an organization that continues to achieve company goals as well as support and reach for the personal milestones of our employees. We enjoy the gift of not only fulfilling our need for professional and financial rewards, but the satisfaction of enriching the lives of patients and customers as well. In order to sustain this success, I am relying on each of you to honor the values on which this organization was founded.

A handwritten signature in black ink, appearing to read 'J. D. Williams', written over a horizontal line.

Chief Operating Officer

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## **RCS-1**

### **CODE OF CONDUCT**

#### **Required Compliance Standard**

##### **Introduction**

This Code of Conduct and Professional ethics (the “Code”) covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees/1099s of Company. All of our employees/1099s must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. This Code should also be provided to and followed by the Company’s officers and contractors, including consultants.

If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should seek advice from your immediate manager, your compliance manager or any company officer. If you wish to report a violation or suspected violation of this Code, you can contact the Company’s Compliance Hotline at (405) 639-3361 or the Compliance Officer at (405) 639-3343. All calls are anonymous to the Hotline and will be reviewed by the Compliance Officer. All reports will also be investigated by the Compliance Officer.

Those who violate the standards in this Code will be subject to disciplinary action, up to and including termination and could result in civil or criminal penalties.

#### **1. Compliance with Law, Rules and Regulations**

Obedying the law, both in letter and in spirit, is the foundation on which this Company’s ethical standards are built. All employees must respect and obey the laws of the jurisdictions in which we operate. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from your manager, the Compliance Officer or a Company officer.

The Company will hold information and training sessions and has put in place various policies in order to promote compliance with laws, rules and regulations. Each manager is responsible for ensuring that his/her employees complete mandatory training modules that are related to compliance with laws, rules and regulations.

#### **2. Conflicts Of Interest**

All employees are expected to make decisions in the best interest of the Company, and not for personal gain. Therefore, all employees are required to avoid “conflicts of interest.”

A conflict of interest exists when a person's private interest interferes in any way with the interests of the Company. A conflict situation can arise when an employee, officer, or anyone associated with the Company takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee, officer or anyone associated with the Company or members of his or her family receive improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, employees and their family members may create conflicts of interest. It is almost always a conflict of interest for a Company employee to work simultaneously for a competitor, customer, or supplier. You are not allowed to work for a competitor as a consultant or board member, without prior, written approval from the CEO, or equivalent of Company. The best policy is to avoid any direct business connection with our customers, suppliers, or competitors, except on the Company's behalf.

Conflicts of interest are prohibited as a matter of Company policy, except if approved by ownership on a case-by-case basis. Conflicts of interest may not always be clear-cut, so if you have a question, you should seek advice from your Manager, the Compliance Officer or a Company officer. You are required to annually complete a Conflict of Interest form and if a conflict arises you are required to report this to the Company for approval and appropriate disclosures.

This conflict of interest policy and annual certification form applies to both conflicts of interest with other employees/independent contractors of the company as well as potential conflict of interests with HCPs. We are required to evaluate these potential conflicts of interest and ensure compliance with all laws, polices and regulations. We will now have each employee and/or independent contractor also certify annually that no conflict of interest exists as with competitors, customers or supplies.

### **3. Competition and Fair Dealing**

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, processing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors, and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

Our industry is highly competitive, and it is the policy of the Company to compete aggressively, but fairly. A major part of this commitment to compete fairly is a commitment to abide fully by the antitrust laws. In general, these complex laws prohibit any form of agreement or understanding—whether formal, informal, express, or implied—that unreasonably reduces competition and business rivalry.

It is the policy of the Company to comply with health care “fraud and abuse” laws. This includes Federal and State anti-kickback laws that prohibit offering or giving kickbacks or other improper inducements to those who may be in a position to purchase or prescribe (or to arrange for or recommend the purchase or prescription of) our products. Any arrangements with healthcare customers (including but not limited to the provision of gifts, grants, and business courtesies) should be reviewed to ensure compliance with applicable laws and Company policies, which are available in your Compliance Manual or through the Compliance Officer.

#### **4. Discrimination and Harassment**

The diversity of the Company’s employees is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any discrimination or harassment of any kind. Please see the Company’s Employee Handbook for further guidance.

#### **5. Health and Safety**

The Company strives to provide each employee with a safe and healthful work environment. Each employee has the responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

The Company will not tolerate violence and threatening behavior. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The Company will not tolerate the use of illegal drugs in the workplace or on the Company’s property. Please see the Company’s Employee Handbook for further guidance.

#### **6. Record-Keeping**

The Company follows accepted accounting rules and controls set forth by the Financial Accounting Standards Board. The Company requires honest and accurate recording and reporting of information in all circumstances, and without exception. The Company requires that its outside auditors have access to any and all information necessary for them conduct audits properly, if applicable.

Business expense accounts used by employees must be documented and recorded accurately. See RCS-3 for a more detailed explanation of HCP expenses and reporting requirements. If you are not sure whether a certain expense is legitimate, ask your manager, the Compliance Officer or a Company officer. All of the Company’s books, records, accounts, and financial statements must be maintained in reasonable detail, must appropriately reflect the Company’s transactions, and must conform both to applicable legal requirements and to the Company’s system of internal controls. Unrecorded or “off the books” funds or assets should not be maintained unless permitted by applicable law or regulation and approved in writing by ownership.

## **7. Confidentiality**

Employees/1099s must maintain the confidentiality of confidential information entrusted to them by the Company or its customers, except when disclosure is authorized by the Compliance Officer, CEO or equivalent, or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed, as well as any customer/patient information. It also includes information that suppliers, patients and/or customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends.

## **8. Protection and Proper Use of Company Assets**

All employees/1099s should endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-Company business, though incidental personal use may be permitted.

The obligation of employees/1099s to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or even criminal penalties. Please see the Company's policies on IT usage and confidentiality in the Company's employee handbook for further guidance.

## **9. Payments to Government Personnel**

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make payments to government officials of any country.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities, which may be accepted by U.S. government personnel, including, but not limited to, employees/1099s of Medicare, Medicaid, and the Veterans Administration. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules.

Employees may not use Company expense accounts to pay for any personal political contribution or seek any other form of Company reimbursement.

## 10. Responding to Government Requests

Employees/1099s are expected to respond truthfully to Governmental inquiries. It is the Company's policy to cooperate with all reasonable requests from Governmental agencies concerning the Company's business operations. If an employee and/or independent contractor is approached with a request, please inform your manager or the Compliance Officer of such inquiry immediately.

## 11. Compliance Procedures

We must all work to ensure prompt and consistent action against violations of the Code. However, in some situations it may be difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.

Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is. Your Compliance Handbook, Compliance Training and your manager will help guide you.

Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.

Discuss the problem with your manager. This is the basic guidance for all situations. In many cases, your manager will be more knowledgeable about the question and will appreciate being brought into the decision-making process. Remember that it is your manager's responsibility to help you solve problems.

Seek help from Company Compliance Resources. In the rare case where it may not be appropriate to discuss an issue with your manager or where you do not feel comfortable approaching your manager with your question, discuss it with the Compliance Officer or with a Company officer.

You may report violations in confidence and without fear of retaliation. You may report violations or suspected violations of this Code by calling the Company's Compliance/Ethics Hotline at (405) 639-3361. All inquiries to the Compliance/Ethics Hotline will be handled confidentially to the extent reasonably possible. You may ANONYMOUSLY report violations or suspected violations of this Code, or any matter falling under the Company's Compliance Program without fear of retaliation.

Always ask first, act later. If you are unsure of what to do in any situation, seek guidance before you act.



## **12. No Retaliation**

The Company will not retaliate in any manner, including, but not limited to, discharging, demoting, suspending, threatening, harassing, or otherwise discriminating against an employee/1099 who reports in good faith violations or suspected violations of this Code, the Company's Compliance Program and/or laws and regulations.

## **13. Reporting Requirement**

All employees and independent contractors are expected and required to report to the Compliance Officer any suspected or known violations of all applicable laws and regulations, including any federal healthcare program requirements or any compliance policies established by this compliance manual.

Failure of the Company and/or its employees and independent contractors to comply with all applicable laws and regulations, including any federal healthcare program requirements, may result in civil and/or criminal penalties and/or jail time.

## **14. Annual Certification**

On an annual basis, each employee and independent contractor must certify in writing that they have received, read, understood and shall abide by the Company's Code of Conduct and Compliance Manual. New employees or independent contractors must complete the required certification within thirty (30) days of commencing employment or affiliation with the Company. In addition, annual certifications regarding compliance with Anti-Kickback, Sunshine, annual training, etc, shall be required by all employees and independent contractors. All employees and/or independent contractors shall undergo, at a minimum, annual training on this Compliance Manual and all related policies and procedures. This training shall be required for all employees and independent contractors and failure to complete shall result in disciplinary action.

**RCS-2****FINANCIAL ARRANGEMENTS WITH HEALTHCARE PROFESSIONALS ARE GENERALLY PROHIBITED****Required Compliance Standard****Definitions**

A healthcare professional (“HCP”) is generally defined as (i) any actual or potential source or referral source of healthcare business to the Company or the manufacturers it represents that is within the continuum of care of a patient who may use or receive any product that the Company sells (i.e. hospital, academic medical center, orthopedic surgeon, most other physicians/physician specialists, physical therapists, med/surgical nurse, discharge planner, etc); or (ii) any person having actual direct or indirect control over the purchasing or coverage decisions of an institution (i.e. hospital/academic medical center executive or administrator, orthopedic service line medical director, Chief of Medical Staff, purchasing agent, managed care coverage determination administrator, etc).

Something of “value” includes not only those items with a dollar value, but also those for which there may only be intrinsic value.

“Financial Arrangements” are generally defined to mean any arrangement or transaction entered into by an employee/independent contractor, etc that could involve, directly or indirectly, the offer, payment, solicitation or receipt of anything of value and is between an employee/independent contractor, etc and any actual or potential source of healthcare business referrals (i.e. a health provider or HCP).

**Prohibited Financial Arrangements**

Prohibited Financial Arrangements include both contractual arrangements and non-contractual arrangements – this means both written and verbal contractual and non-contractual arrangements are prohibited. Thus, all Financial Arrangements are prohibited unless expressly permitted by another written compliance standard within this Manual or approved by senior management and the legal and compliance team

The definition of Financial Arrangements is designed to prevent even the inference or appearance of a potential kickback under the Anti-Kickback Statute. Thus, while the definition is broad, it is intended to cover the most commonly scrutinized arrangements between HCPs, such as a surgeon or other individual at a purchasing institution. For example, Company personnel and independent contractors are prohibited from engaging in the following Financial Arrangements (however, this is not an exclusive list). Ultimately, to the extent a Financial Arrangement is not expressly permitted by these or other standards from the Company, the Financial Arrangement is prohibited.

- a. **Payments in exchange for the provision of services (i.e. Consulting Arrangements).** All arrangements for the provision of a compensated service to an HCP must be handled exclusively by the Compliance Officer. For example, an engagement of an HCP to conduct training and education in exchange for any compensation must be directed to the

Compliance Officer. One main reason for the Compliance Officer to handle all arrangements such as the one listed above is that certain manufacturers' the Company contracts with have their own requirements for arrangements such as these.

- b. Payments to fund fellowships, educational grants or any other financial support provided to a HCP are prohibited.** One exception to this prohibition involves charitable contributions or other promotional fundraising activities.
- c. Payments of any kind from the Company directly to an HCP or indirectly to a third party with the purpose of influencing or attempting to influence a HCP's purchasing or utilization decisions.** While this prohibition is implicit, it is valuable to state it explicitly. Thus, even if something is identified in the Manual as permissible, it is never permissible to enter a financial arrangement to influence or attempt to influence the HCP's purchasing or utilization decisions.
- d. Gifts or cash equivalents are prohibited.** All gifts or cash equivalents are prohibited. This includes, but is not limited to, Company or manufacturer branded items, golf balls, wine, flowers, bagels, chocolates, gift baskets and/or gift cards. Certain educational items are permitted.
- e. Entertainment is prohibited.** Entertainment is defined as engaging in, or providing access to, an activity generally considered recreational. Prohibited Entertainment includes, but is not limited to, golfing, skiing, hunting, sporting events, theater, movies, music events, sporting equipment, leisure or vacation trips and the like. Providing tickets to HCPs to entertainment events is also prohibited. Such entertainment is not permissible regardless of its value; whether the Company engages the HCP or not; or whether the entertainment is secondary to an educational purpose.

**RCS-3****BUSINESS MEALS****Required Compliance Standard**

While the general rule is that providing meals to HCPs is not permitted, see RCS-2, in limited circumstances such meals may be permissible. It is important to understand that even if a meal is deemed permissible in this Manual, it is never permissible to provide a meal to a HCP with the intent to influence a product decision. Further, it is important to understand that such meals could be subject to disclosure through legislative requirements and scrutiny by enforcement agencies.

Modest meals may be provided as an occasional business courtesy in connection with business interactions with HCPs that are for a *bona fide* purpose of conducting Company business (i.e. meals where a sales representative and an HCP are discussing our manufacturers' products and/or Company products/services) subject to the following requirements:

- a. The meals can only be provided to HCPs who actually attend and participate in the business discussion (i.e. no meals for office staff not involved in the business discussion; no "dine and dash" or take-out meals; no restaurant gift cards in lieu of a meal; no meals for spouses or guests of a HCP or any other person without a *bona fide* professional interest in the information).
- b. The location of the meal must enable an appropriate business discussion. Examples of inappropriate locations may include golf course, sporting events, concerts and spas.
- c. The HCP must have a potential or actual business relationship with the Company.
- d. The cost of the meals must fall within the following limits:
  - i. Breakfast: \$50 per person (USD)
  - ii. Lunch: \$75 per person (USD)
  - iii. Dinner: \$150 per person (USD)
- e. The combination of attendees must be reasonable for the specified event and conducive to a business discussion (i.e. appropriate ratio of sales personnel to HCPs).
- f. The meal shall not and is not based on or related in any way to past, present or future volume of business generated for the Company by the HCP and is not offered explicitly or implicitly as an inducement in connection with the sale, lease, use or recommendation of the Company's products or services.

- g. Business meals with HCPs must be reported in the applicable tracking database, as provided in RCS-11, and itemized receipts and required sign-in sheets (Exhibit RCS-3) should be submitted and maintained in the Company's records,.
- h. Sales representatives, employees, and/or 1099s are required to turn in all HCP expenses by the 5<sup>th</sup> business day of the following month or respond to the monthly email regarding HCP expenses attesting they had no HCP expenses. If there is an HCP expense for the month, the sign-in sheet, itemized receipt and expense report must be turned in before a manager can approve the expense. **A sales representative, employee, and/or 1099 who receives expense reimbursements and who makes the same or substantially the same, mistake, three (3) times, will have their expense reimbursement privileges revoked. A sales representative, employee, and/or 1099 who does not receive expense reimbursement and who makes the same, or substantially the same, mistake will be written up and disciplined per the Employee Handbook.**
- i. The requirement to report HCP expenses extends to employees/independent contractors who are not reimbursed by the Company as well. (See (m) above for consequences of not reporting or not reporting properly.)

**RCS-4**

**CHARITABLE CONTRIBUTIONS TO HEALTHCARE-RELATED NON-PROFIT ORGANIZATIONS**

**Required Compliance Standard**

Contact the Compliance Office directly regarding all charitable contributions so that they can evaluate the request against all compliance and legal policies and procedures as well as any 3<sup>rd</sup> party business partners' requirements and restrictions.

**RCS-5**

**PROMOTIONAL FUNDRAISING ACTIVITIES INVOLVING HCPs**

**Required Compliance Standard**

Contact the Compliance Office directly regarding all promotional fundraising involving HCPs so that they can evaluate the request against all compliance and legal policies and procedures as well as any 3<sup>rd</sup> party business partners' requirements and restrictions.

**RCS-6**

**THIRD PARTY EVENTS**

**Required Compliance Standard**

Contact the Compliance Office directly regarding all third-party events so that they can evaluate the request against all compliance and legal policies and procedures as well as any 3<sup>rd</sup> party business partners' requirements and restrictions.



**RCS-7**

**PRODUCT SUPPORT MATERIALS**

**Required Compliance Standard**

Contact the Compliance Office directly regarding all product support materials so that they can evaluate the request against all compliance and legal policies and procedures as well as any 3<sup>rd</sup> party business partners' requirements and restrictions.

**RCS-8**

**PRODUCT SUPPORT ACTIVITIES**

**Required Compliance Standard**

Contact the Compliance Office directly regarding all product support activities so that they can evaluate the request against all compliance and legal policies and procedures as well as any 3<sup>rd</sup> party business partners' requirements and restrictions.

**RCS-9****MONTHLY REPORTING OF FINANCIAL ARRANGEMENTS TO THE COMPLIANCE OFFICER****Required Compliance Officer**

Compliance with law such as the Physician Payment Sunshine Act/Transparency Act requires the complete and accurate reporting of financial arrangements with HCPs be regarded with the utmost importance.

Currently, the following items are the minimum required to be tracked and reported to the Compliance Officer who has the responsibility of reporting such items in the applicable database of each manufacturer and/or 3<sup>rd</sup> party business partner.

1. Anatomical Models
2. Etched Product Samples
3. Textbooks
4. Business Meals
5. Charitable Donations (HCP Entities)
6. Promotional Fundraising support (HCP Entities)
7. Badges/Registration Fees (HCP Entities)
8. Booth Space (HCP Entities)
9. Journal Reprints

Additionally, state licensure information must be tracked, and if required, recorded in the applicable tracking databases for any financial arrangement with healthcare providers. Product information is now also required as well (i.e. product names).

All employees must report either via Exponent any expenses incurred, or the spreadsheets attached to the monthly email from Compliance regarding financial arrangements by the fifth calendar day of the month following the date of the transaction. The Compliance Officer will be required to compile all this information and report to the respective manufacturer and/or 3<sup>rd</sup> party business partner as required per their specific policies and procedures.) The failure to timely report and record the transactions to the Compliance Officer could lead to consequences including, but not limited to, suspension of all payments to HCPs, including meals, pending investigation and identification of appropriate corrective action.

The following items must be submitted by the due date for all HCP expenses, no exceptions:

1. Sign-in sheet with all fields fill out, including, date of event, products/services discussed (i.e. the exact product name), total amount of event as well as a signature of ALL attendees to the event, all HCP's must sign-in as well as any other attendees, including sales representatives, managers, corporate employees etc;
2. Itemized receipt along with totaled receipt showing tip; and
3. If there is an agenda or presentation, that should be submitted as well.

The Compliance Officer must retain copies of all receipts and sign-in sheets relating to financial arrangements with HCPs, including arrangements entered into by independent contractors affiliated with the Company. Such receipts must be itemized and shall be maintained pursuant to the requirements provided in RCS-19. All HCP expenses are required to be reported, whether the company reimburses you or not.

If the above policies and procedures are not followed: **A sales representative, employee and/or 1099 who receives expense reimbursements and who makes the same or substantially the same, mistake, three (3) times, will have their expense reimbursement privileges revoked. A sales representative, employee and/or 1099 who does not receive expense reimbursement and who makes the same, or substantially the same, mistake will be written up and disciplined per the Employee Handbook.**

The following Financial Arrangements related to HCP and non-HCP Entities shall be recorded and submitted to the Compliance Officer on an excel spreadsheet emailed to the Compliance Officer monthly:

1. Charitable Donations
2. Promotional Fundraising
3. Badges/Registration Fees
4. Booth Space

## RCS-10

**MINIMUM TRAINING REQUIREMENTS****Required Compliance Standard**

The Company shall, and is required by its manufacturers and/or 3<sup>rd</sup> party business partners, to conduct training for each employee and independent contractor, which shall include at a minimum:

- a. **Mandatory Training and Required Training Topics:** On an annual basis, all Company personnel (including 1099s and agents of the Company) must undergo at least five (5) hours of training on the Company's Compliance Program, Financial Arrangements and the Anti-Kickback Statute. This requirement shall be met with a combination of Company training, whether in person or via webinars as well as the required manufacturers/3<sup>rd</sup> party business partners' training. The Company shall have at a minimum annual compliance training in addition to the manufacturer/3<sup>rd</sup> party business partner required training and both shall count towards the five (5) hour requirement.
- b. **Training Methods:** The training may be provided through live sessions, DVD, appropriate computer-based training, or other comparable methods. Fact patterns and knowledge tests are encouraged. Hard copy documents, such as printouts of PowerPoint presentations, should be retained for record retention purposes.
- c. **Training Certification:** Everyone who is required to undergo training discussed in this standard shall, upon completion of the training, certify in writing or in electronic form, that they have received the required training.
- d. **New Employee and Independent Contractor Training:** All new employees of the Company and newly affiliated independent contractors of the Company must undergo the required training within thirty (30) days of employment or affiliation with the Company. Any new employee or independent contractor must visit with the Compliance Officer either in person or via a telephone call for new hire compliance training within the first thirty (30) days of hire.

**RCS-11****EMPLOYEE AND INDEPENDENT CONTRACTOR SCREENING****Required Compliance Standard**

The Company is required to conduct employee and independent contractor screening. Such screening parameters include, but are not necessarily limited to the following:

- a. It is not appropriate for the Company to employ any individual or organization that the Company knows to have been convicted of a criminal offense related to healthcare, or listed by a government agency of any country as excluded, debarred, sanctioned, suspended or otherwise ineligible to participate in a Federal Healthcare Program.

To the extent allowable by local and state law, prior to employment (and monthly thereafter), the Company shall screen said individual against:

- i. The HHS-OIG's List of Excluded Individuals and Entities, which may be accessed on the Internet at <http://oig.hhs.gov/fraud/exclusions.asp>; and
- ii. The GSA's Excluded Persons List System, which may be accessed on the Internet at <https://www.sam.gov/portal/SAM/#1>.

Human Resources shall perform this screening prior to any offer of employment. The Company shall manually check the SAM and GSA websites monthly to verify no employees or independent contractors are excluded persons.

- b. It is not appropriate for the Company to engage or contract with any individual or entity that provides services that are an ordinary or necessary component of furnishing or providing items or services that are reimbursable under a federal healthcare program (i.e. an independent contractor engaged by the Company ), which the Company knows to have been convicted of a criminal offense related to healthcare, or listed by a government agency as excluded, debarred, sanctioned, suspended or otherwise ineligible to participate in a Federal Healthcare Program. This prohibition exists even if the individual or entity performs services for no compensation.
  - i. The Company shall screen such individuals or entities against the lists provided in Sections (a)(i) and (a)(ii) of this Standard.
- c. The Company shall require that any individual or entity described in Sections (a) and (b) of this Standard notify the Company if the individual or entity becomes excluded, debarred, suspended or otherwise made ineligible to participate in a Federal HealthCare program. The Company shall then notify any manufacturers/business partners that would be affected by such ineligible status. Each employee and independent contractor must certify annually that they are not excluded, debarred or suspended.
- d. If it is determined, pursuant to Sections (a) and (b) of this Standard, that an individual or entity has been convicted, excluded, debarred, suspended, sanctioned or otherwise made

ineligible to participate in a Federal Healthcare Program or in a governmental procurement or non-procurement program; the Company may be required to terminate the employee or independent contractor. At a minimum, the Company shall immediately notify the manufacturer(s)/business partner(s) that the individual or entity represents, remove such individuals or entities from all responsibilities related to those manufacturers and terminate the affiliation of any such individual or entity with the manufacturer(s).

**RCS-12**

**EMPLOYEE AND INDEPENDENT CONTRACTOR CONFLICTS OF INTEREST**

**Required Compliance Standard**

A conflict of interest exists when a person's private interests interfere – or even appear to interfere – in any way with the interests of the manufacturer/business partner or the Company. A conflict of interest situation can arise when the Company, Company's employees or independent contractors take actions or have interests that may raise questions as to whether they may perform their manufacturer/business partner-related work objectively or effectively. Conflicts of interest may arise when an employee, independent contractor or members of their family receive any personal gain from any third party because of their position with the Company.

No Company employee or independent contractor may take any action or make any direct or indirect offer to a HCP that would induce the HCP to make purchasing decisions or referral of a specific manufacturers'/business partner product, or influence their purchasing or referral of manufacturers'/business partner products in any way.

Additionally, hiring or engaging anyone in order to induce an HCP to use or purchase a certain manufacturer's/business partner's product is strictly prohibited. If a Company employee or independent contractor has a familial relationship with a HCP, the individual must notify the Company's Compliance Officer who in turn is required to disclose to affected manufacturers/business partners. All reasonable steps should be taken to ensure that such an individual is not involved in servicing the account of their family member to avoid even the appearance of impropriety. Screening for such conflicts of interests shall be undertaken upon hire and on an annual basis.

No employee, 1099 or agent of the Company may not accept gifts, benefits, or unusual hospitality that might have, or might have the appearance of having, an influence on the performance of their duties.



**RCS-13**

**SUPPLIER VENDORS CONFLICTS OF INTEREST**

**Required Compliance Standard**

The Company may enter into agreements with supplier vendors to purchase goods and services that are necessary for a commercially reasonable business purpose, provided such agreements comply with the requirements of this Standard.

The Company shall employ a standardized methodology to identify and evaluate the potential of specific supplier vendors to meet the criteria for providing the necessary goods or services. At a minimum, and subject to the Code of Conduct, such an evaluation must include an inquiry as to the possibility of HCP ownership of a supplier vendor when the Company has any knowledge suggesting such ownership, or where the Company should reasonably infer from the circumstances the likelihood that a HCP has an ownership interest in a supplier vendor. In the event that a HCP relationship is discovered, disclosure is required in writing to the Company's Compliance Officer. The Compliance Officer should subsequently be in the evaluation and eventual contracting process with the supplier vendor.

A supplier vendor notice should be distributed to all active vendors on an annual basis where a possible HCP relationship exists to notify the supplier vendor of its obligation to disclose any known HCP conflict of interest situation. A Disclosure Form should be included to facilitate any such disclosure. This form can be obtained from the Compliance Officer. The Compliance Officer shall pull a vendor listing and based on reasonable criteria send to all vendors who could potentially have a conflict of interest.

All vendors shall certify annually they have no HCP or employee/independent contractor conflict of interest with the Company. All vendors shall also be verified against the websites listed in RCS-13 annually. Large, nationally known vendors are not included in the requirement and shall be so noted in the annual paperwork.

**RCS-14**

**REPORTING POTENTIAL OR SUSPECTED NON-COMPLIANT ACTIVITIES INVOLVING EMPLOYEES OR INDEPENDENT CONTRACTORS**

**Required Compliance Standard**

The Company is committed to conducting every facet of its business activities in compliance with applicable laws, regulations, as well as the Code of Conduct and applicable policies and procedures. The Company, its employees and independent contractors affiliated with the Company who becomes aware of or suspects an issue of known or suspected non-compliant activities must report such issues to the Company's Compliance Officer.

You may contact the Company's anonymous compliance hotline at 405-639-3361, the Compliance Officer or your manager.

All reports submitted are confidential and the report submission may remain anonymous. The Company will investigate and follow up on all reports. Retaliation against any individual who makes a good faith report of a suspected compliance or legal issue is strictly prohibited.

## RCS-15

**DOCUMENT RETENTION AND ANNUAL CERTIFICATION****Required Compliance Standard**

- a. **Annual Company Certification:** The Company will certify on an annual basis to all applicable manufacturers/business partners that require it that all employees and independent contractors have been screened to exclude Ineligible Persons (see RCS-13), received a copy of the Company's Code of Conduct and related compliance policies and procedures, received information relating to any manufacturers' compliance hotline and received Anti-Kickback Statute training. This certification will include an affirmation that neither the Company nor its employees or independent contractors have violated the Anti-Kickback Statute with respect to the performance of the terms and conditions of the agreement then in place with the manufacturer.
- b. **Document Retention:** It is required for the Company to retain all records which in any way relate to the topics covered in the Company's Compliance Program and the Anti-Kickback Statute for at least ten (10) years. The location should be controlled, centralized and the Compliance Officer should be able to access all documents immediately upon request.

While the following is not an exhaustive list, it provides the most common documents which the Company should retain in a controlled, centralized location:

- i. Compliance Committee Charter (if any);
- ii. Agendas and minutes from Compliance Committee meetings;
- iii. Hard copy of policies and procedures adopted by the Compliance Committee;
- iv. Expense reimbursement forms, receipts, sign-in sheets and other supporting documentation;
- v. Company Compliance Program Acknowledgment;
- vi. Training certification forms;
- vii. Hard copy of training materials, such as PowerPoint presentations;
- viii. All request forms and related correspondence for Permissible Financial Arrangements (i.e. contributions to non-profits, promotional fundraising, booth space and badge application request forms with the applicable supporting documentation);
- ix. All payment records of any kind relating to Financial Arrangements (i.e. credit card statements, ledger entries, invoices, receipts) relating to HCPs or HCP practices;
- x. All Financial Arrangements Monthly Reporting as submitted to the Compliance Officer;
- xi. Complete documentation related to screening of employees and independent contractors;
- xii. Documentation related to exit interviews for Company employees or independent contractors; and
- xiii. Documents related to investigation of potentially non-compliant activities.

RCS-16

**ANTI-KICKBACK STATUTE**  
**Best Compliance Practices**

This Anti-Kickback Statute policy (“Policy”) requires compliance with the Federal Anti-Kickback Statute (the “Anti-Kickback Statute”) and analogous state laws. In addition, it is designed to ensure that all Company employees and independent contractors understand:

- a. The elements of the Anti-Kickback Statute; and,
- b. The obligation to report violations and/or seek guidance, where necessary.

This Policy is applicable to all Company business transactions and practice that could implicate the Anti-Kickback Statute and to all employees and independent contractors engaged in such transactions and practices.

The Company is committed to conducting its business transactions and practices in compliance with the Anti-Kickback Statute and analogous state laws. Employees and independent contractors shall comply with the requirements of the Anti-Kickback Statute and these state laws as well as all related Company policies and procedures. **This means that employees and independent contractors shall not offer or provide anything of value to customers (i.e. physicians, hospitals, healthcare facilities, etc.) to induce them to purchase, prescribe, dispense, recommend, provide favorable formulary status for a Company product or arrange for any such activity in violation of the Anti-Kickback Statute or state law.**

Employees and independent contractors shall report suspected violations of the Anti-Kickback Statute and/or related Company policies and procedures consistent with Company policy. In addition, employees and independent contractors may direct any questions regarding the Anti-Kickback Statute and related Company policies and procedures to their supervisor or the Compliance Officer.

Failure to comply with the Policy may result in disciplinary action, up to and including termination of employment for employees and termination of the contractual arrangement for independent contractors, as well as any civil and/or criminal action.

The Anti-Kickback Statute has several elements that all employees and independent contractors need to be cognizant of.

- a. Prohibited Transactions and Practices: The Anti-Kickback statute prohibits anyone from knowingly and willingly offering, paying, soliciting or receiving any remuneration intended to induce:
  - i. The purchase, lease, order or recommending or arranging for a purchase, lease or order of an item or service that is reimbursed under a Federal Health Care Program; or,

- ii. Referrals for an items or service that is reimbursed under a Federal Health Care Program.
- b. In evaluating whether any particular business transaction or practice violates the Anti-Kickback Statute, the government may consider whether the transaction or practice has the potential to :
  - i. Increase costs to a Federal Health Care Program, beneficiaries or enrollees;
  - ii. Increase the risk of over-utilization or inappropriate utilization;
  - iii. Raise patient safety or quality-of-care concerns; or
  - iv. Interfere with appropriate clinical decision making.
- c. Remuneration means anything given of value, directly or indirectly, overtly or covertly, in cash or in kind, to a customer and includes, but is not limited to:
  - i. Cash;
  - ii. Free goods;
  - iii. Free services; and/or
  - iv. Payments for items, services, or data at above fair market value.
- d. Because the federal government may construe the Anti-Kickback Statute broadly to prohibit otherwise beneficial business transactions or practices, it created “safe harbors” to shield certain transactions and practices from prosecution under the statute. To receive the protection of a safe harbor, a transaction or practice must satisfy each element of a safe harbor. Transactions or practices that do not satisfy all elements of a relevant safe harbor are not necessarily illegal but may be subject to heightened scrutiny. To the extent possible, Company business transactions and practices should comply with an applicable safe harbor. Employees and independent contractors should consult with the Compliance Officer for advice on satisfying the requirements of a safe harbor. There are numerous safe harbors, which may apply to any particular transaction or practice. If there is a question concerning this Policy or a safe harbor, please contact the Compliance Officer.
- e. Intent to Induce: The Anti-Kickback Statute is an intent-based statute. However, the Anti-Kickback Statute may be violated if **one purpose** of the business transactions or practice is to induce referrals or the purchasing, leasing, or ordering of any item or service, or the recommending of or arranging for such activities, even if there are other legitimate purposes for the transaction or practice.
- f. Penalties: The Anti-Kickback Statute is a criminal statute, the violation of which constitutes a felony punishable by:
  - i. A fine of not more than \$25,000 per offense;
  - ii. Imprisonment for up to five (5) years;
  - iii. Mandatory exclusion from participation in Federal Health Care Programs; and/or
  - iv. The Office of Inspector General, Department of Health and Human Services, may impose civil monetary penalties of up to \$50,000 for each violation, plus damages of three times the amount of the remuneration.

The Anti-Kickback Statute applies not only to the Company, but also its employees, contractors, and customers.

**RCS-17**

**HIPAA POLICY**

**See Company's separate HIPAA Policy & Procedure Manual.**

RCS-18

**ANTI-HARASSMENT POLICY**

It is the policy of the Company that harassment of its employees or applicants for employment, on the basis of race, color, age, disability, sex, religion, national origin or any other category protected by law is **unacceptable** conduct and **will not be tolerated**.

Any employee who feels that he/she is or has been the victim of harassment, including sexual harassment, by any management official, employee, client or by any other person in connection with his/her employment at The Company should immediately make a written or oral report of the matter to your immediate supervisor who will follow up with appropriate management. If for any reason, the employee feels uncomfortable or unable to report the harassment to a supervisor, then the employee should report the issue to human resources or any member of senior management. Any questions about this policy or potential harassment should also be brought to the attention of management. Employees who make an oral report may be asked to document the report in writing or to approve and sign written documentation prepared by the Company. The Company will promptly investigate all allegations of harassment, including sexual harassment, in as confidential a manner as possible under the circumstances and take appropriate corrective action, up to and including termination if warranted.

There will be no retaliation by the Company or any of its officers or employees against any employee who makes a good faith report pursuant to this policy, even if it turns out after investigation that there has not been a violation of this policy.

**RCS-19**

**Smoking and Tobacco Use**

In consideration of the health and well-being of our clients and our employees, the Company will maintain a totally smoke-free environment, including e-cigarettes, inside our building and tobacco-free environment inside the homes of our clients and hospitals. To accommodate those employees, 1099s and/or agents who do smoke; designated smoking areas are established outdoors on the Company's property. All tobacco products should be properly disposed of in the receptacles provided.



## RCS-20

### Email Policy

The Company allows employees and 1099s to use the Company E-mail system for personal matters only so long as the following guidelines are observed. Violation of this policy may result in immediate dismissal or other disciplinary measures.

1. Employees/1099s are strictly prohibited from sending, forwarding, or distributing E-mail messages that contain or refer to inappropriate activity such as gambling, obscene or offensive material, chat rooms, pornography, other adult themes, or hate/discrimination.
2. Employees/1099s are strictly prohibited from sending E-mail messages of a harassing, intimidating, offensive or discriminatory nature. The guidelines set forth in the Company's Anti-Harassment Policy are fully applicable to E-mail.
3. Employees/1099s should NOT expect that E-mail is confidential or private. E-mail is the property of the Company and the Company reserves the right to access employees' E-mail messages at any time and for any reason without notice to the employee and disclose them to others if the Company in its sole discretion determines that such action is warranted in the circumstances.
4. Deleting an E-mail message does not guarantee that it has been erased from the system. The Company retains backup copies of all media, including E-mail correspondence, in the normal course of management of the Company computer system.
5. Employees/1099s are prohibited from accessing each other's E-mail without the express consent of the employee. Each employee has a password which allows access to the E-mail system. Your password is personal and should not be shared with other persons.
6. Remember that E-mail messages are not less discoverable in litigation than paper files.
7. Use of the system to solicit outside business ventures, to leak confidential or privileged information, or for personal, political, or religious causes is prohibited.
8. You should consider E-mail as any other written means of communication. Please do not transmit anything in an E-mail message that you would not be comfortable writing in a letter or memorandum. Remember to exercise good judgment and common sense when creating and distributing messages.

RCS- 21

**DRUG & ALCOHOL POLICY**

The Company has a vital interest in maintaining a safe, healthy, and efficient working environment for all its employees. Individuals under the influence of drugs or alcohol present safety and health risks to themselves, their fellow employees, our clients, and the public and have a detrimental effect upon high standards of performance and conduct. The Company maintains a zero-tolerance policy. Accordingly, The Company has adopted this policy which is applicable to applicants, employees, and contract personnel. Under this Policy, the following conduct is prohibited:

1. Use, possession, sale, purchase, or transfer of illegal drugs by employees, volunteers or contractors while on the job or while on The Company property.
2. Use or possession of alcohol or illegal drugs while operating The Company's vehicles.
3. Consumption, possession, or sale of alcoholic beverages while on the job or on The Company's property unless expressly authorized by the President or equivalent position within Company.
4. Being under the influence of alcohol or illegal drugs while on the job or while on The Company's property or at the time of testing during the hiring process.
5. Working while under the influence of a legal drug if safety is compromised or if job performance is significantly affected.
6. Abuse of legal drugs while on the job or on The Company's property, including but not limited to, distribution, abusive use or selling.

In addition to the above prohibitions, any employee convicted under a criminal drug statute for violations occurring in the workplace must inform The Company of such conviction within five (5) days of the date of conviction.

**Drug and Alcohol Testing**

To enforce the policy against drugs and alcohol in the workplace, The Company may require an individual to undergo a test for drugs and/or alcohol under the following circumstances. It is The Company's intention to comply fully with the Oklahoma Statute on drug and alcohol testing (Title 40, Chapter 15), and regulations issued by the Oklahoma State Department of Health (OAC, Title 310, Chapter 638). In the event the State laws or State regulations are changed, this policy will be amended to reflect those changes and to remain consistent with State laws and State regulations. In such event, The Company will notify employees of these changes.

**1. EMPLOYEES/1099s SUBJECT TO TESTING**

- A. Reasonable Suspicion Testing: All employees and 1099s of the Company shall be subject to this policy. This includes full-time or part-time employees and regular or temporary employees.
- B. Post-Accident Testing: All employees and 1099s of Company shall be subject to this policy. This includes full-time or part-time employees and regular or temporary employees.
- C. Random Testing: All employees and 1099s of the Company shall be subject to this policy. This includes full-time or part-time employees and regular or temporary employees.

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2. **REASONABLE SUSPICION TESTING.** The Company may request or require an employee/1099 to undergo drug or alcohol testing if the Company has a reasonable suspicion that the employee/1099 has violated the Company's written policy. A refusal to take the test or a confirmed positive test may result in discipline up to and including termination of employment or termination of a contractual arrangement.
3. **POST ACCIDENT TESTING.** The Company may request or require an employee/1099 to undergo drug or alcohol testing if the Company has a reasonable suspicion that, as a direct result of the employee's/1099s use of drugs or alcohol, the employee/1099 or another person has sustained a work-related injury or the Company's property has been damaged in an amount reasonably estimated at the time of the accident to exceed Five Hundred Dollars (\$500.00). A refusal to take the test or a confirmed positive test may result in discipline up to and including termination of employment or termination of the contractual arrangement.
4. **RANDOM TESTING.** The Company may request or require an employee/1099 to undergo drug or alcohol testing on a random selection basis. A refusal to take the test or a confirmed positive test will result in discipline up to and including termination of employment or termination of the contractual arrangement.
5. **DEFINITIONS AND SCOPE OF POLICY.** For the purpose of this policy, the following definitions shall apply:
  - a. **ABUSED DRUGS.** Means prescribed drugs and over-the-counter medications which either:
    - i) have not been legally obtained, or
    - ii) are not being used in the recommended dosage or for the purpose for which they were prescribed or manufactured.
  - b. **ALCOHOL.** Means ethyl alcohol or ethanol. An individual is considered to be "under the influence of alcohol" if the individual has a confirmed positive test for alcohol.
  - c. **CONFIRMATION TEST.** Means a drug or alcohol test to substantiate the results of a prior drug or alcohol test. In the case of a drug test, the confirmation test will be made on the same sample, but will be one that uses different chemical principles. In the case of an alcohol test, the confirmation test may be made on a different sample. In either case, the confirmation test will be one of equal or greater accuracy than the prior drug or alcohol test.
  - d. **CONFIRMED POSITIVE TEST.** Means if an individual tests positive on a drug or alcohol test, a confirmation test will be conducted. If the confirmation test result is positive, the individual will be considered to have a confirmed positive test result.
  - e. **DRUG.** Means any of the following or any combinations of the following or any metabolites of the following:
    - i. **amphetamines-** including methamphetamines;;
    - ii. **cannabinoids-** such as marijuana or hashish (medical marijuana will be addressed below);
    - iii. **cocaine;**
    - iv. **phencyclidine (PCP)-;**
    - v. **hallucinogens-** such as MDMA;

- vi. **methaqualone**- such as Quaalude;
- vii. **opiates**- such as heroin, fentanyl (Sublimaze), methadone (Dolophine) or morphine;
- viii. **barbiturates**- such as secobarbital (Seconal) or pentobarbital (Nembutal);
- ix. **benzodiazepines**- such as alprazolam (Xanax), chlordiazepoxide (Librium), diazepam (Valium), flunitrazepam (Rohypol, Robutal), triazolam (Halcion) or clorazepate;
- x. **synthetic narcotics**;
- xi. **designer drugs**;
- xii. other drugs for which the U.S. Department of Health and Human Services has established an approved protocol and positive threshold levels.

Individuals subject to a drug test under this policy may be tested for one or more of these drugs. A confirmed positive test result will be considered “use” and /or being “under the influence” of the drug.

- f. **DRUG OR ALCOHOL TEST.** Means a chemical test administered for the purpose of determining the presence or absence of a drug or its metabolites or alcohol in a person’s bodily tissue, fluids or products.
- g. **RANDOM SELECTION BASIS.** Means a mechanism for selecting employees/1099s for drug or alcohol testing that:
  - i. results in an equal probability that any employee/1099 from a group of employees/1099s subject to the selection mechanism will be selected, and
  - ii. does not give an employer discretion to waive the selection of any employee selected under the mechanism.
- h. **REASONABLE SUSPICION.** Means a belief that an employee/1099 is using or has used drugs or alcohol in violation of this policy drawn from specific objective and articulable facts and reasonable inferences drawn from those facts in light of experience, and may be based upon, among other things:
  - i) observable phenomena such as:
    - (1) the physical symptoms or manifestations of being under the influence of a drug or alcohol while at work or on duty, or
    - (2) the direct observation of drug or alcohol use while at work or on duty,
  - ii) a report of drug or alcohol use while at work or on duty, provided by reliable and credible sources and which have been independently corroborated,
  - iii) evidence that an individual has tampered with a drug or alcohol test during his employment with The Company, or
  - iv) evidence that an employee is involved in the use, possession, sale, solicitation or transfer of drugs while on duty or while on the Company’s premises or operating or riding in the Company’s vehicle, machinery or equipment.

## 7) TESTING METHODS AND COLLECTION PROCEDURES.

- a) Drugs: Urine samples shall be used for the initial test and for the confirmation test for drugs.
  - b) Alcohol: Breath or saliva shall generally be used for the initial test for alcohol, although in certain situations as provided by Oklahoma State Department of Health regulations, blood samples or urine samples may be used for the initial test. Breath or blood samples shall be used for the confirmation test for alcohol, although in certain situations as provided by Oklahoma State Department of Health regulations, urine samples may be used for the confirmation test.
  - c) In any situation where an employee is requested to undergo a drug or alcohol test, the employee will be asked to sign a consent form (copy attached) indicating willingness or refusal to submit to the test. The employee will be asked to list any medication currently being taken or any other contact with or exposure to substances which might affect the outcome of the drug or alcohol test. Refusal to sign or to complete this form will be considered as a refusal of the test.
  - d) Drug or alcohol testing of an employee shall occur during or immediately after the regular work period of the employee and shall be deemed to be work time for purposes of compensation and benefits.
  - e) The collection of drug and alcohol testing samples, the reporting of results of such tests, and the keeping of the records of such tests shall be conducted in a manner consistent with State law and regulations.
  - f) The Company shall pay all costs of testing for drugs and alcohol required by The Company, including confirmation tests and the cost of transportation if the testing of a current employee is required by The Company to be conducted at a place other than the workplace. However, if either an applicant or a current employee requests a retest of a sample in order to challenge the results of a positive test, the applicant or employee shall pay all costs of the retest, unless the retest reverses the findings of the challenged positive test.
  - g) Samples shall be collected and tested with due regard for the privacy of the individual being tested. In the collection of urine samples, no Company employee or representative of The Company shall directly observe an applicant or employee in the process of producing a urine sample. However, the collection of urine samples shall be in a manner reasonably calculated to prevent substitutions, alteration, or interference with the collection and testing of reliable samples.
- 8) **INVESTIGATION PROCEDURE.** In the event a supervisor possesses reasonable suspicion that an individual is under the influence of drugs or alcohol or is otherwise in violation of this policy, the supervisor should immediately consult with and obtain the approval of an appropriate member of management or the elected official before requesting a drug or alcohol test. Procedures will include the following:
- a) Upon receiving proper management approval, the supervisor should explain to the individual what he or she has observed and inform the individual of the procedure that will be followed and the possible consequences. If the individual is unwilling to report to the approved medical facility for evaluation and testing (or such facility is unavailable), the supervisor should require the individual to report to an office area or, if not available, to a safe, non-work area.

In either of the above situations, the supervisor is then to contact management for further guidance. In the absence of such consultation and if the supervisor has reasonable doubt about the individual's ability to satisfactorily and safely meet job requirements, the supervisor shall place the individual on suspension pending results of testing and other administrative determinations. If the individual is to go to a medical facility outside County offices for evaluation or testing or to go home, the supervisor is to arrange for the individual's transport.

- b) If an individual is suspected of possessing alcohol contrary to this policy or selling, purchasing, transferring or possessing an illegal drug, the supervisor is to:
  - i) Direct the individual to turn over any suspected unauthorized alcohol or illegal drugs which are in plain sight.
  - ii) Secure any container or the like where alcohol or illegal drugs may be present for subsequent search by appropriate personnel.
  - iii) Order the individual to report to an area in the facility where appropriate personnel can question the suspected individual in private.
- c) Prior to initiating questioning relative to use or possession, the supervisor is to first consult with the Director of Human Resources or the President. If consultation is not possible, the supervisor is to have a witness present and, without further guidance, limit the questioning to determine the individual's general condition (e.g., does the individual feel sick; does the individual know where he or she is; to whom is he or she talking; what may be the cause of the individual's present condition).

**9) QUALIFICATIONS AND PROCEDURES OF TESTING PERSONNEL.**

- a) Samples will be collected only by individuals who are qualified by the Oklahoma State Board of Health or other designated regulatory body at designated collection site facilities.
- b) Testing will be at laboratory facilities that are licensed by the Oklahoma State Board of Health or other designated regulatory body to perform drug or alcohol testing. The testing facility will be responsible for maintaining and documenting that the proper chain of custody is assured for all samples while in the possession of the testing facility.
- c) If the analysis of an initial test results in a positive finding, a confirmation test will be conducted.  
Confirmed positive test results will be sent by the testing facility to the Medical Review Officer designated by The Company. The Medical Review Officer will notify the individual of the test results and arrange for any further testing requested by the individual.
- d) Management and supervisors are to restrict conversations concerning possible violations of this policy to those persons who are participating in any questioning, evaluation, investigation or disciplinary action and who have a need to know about the details of the investigations.

**10) RIGHTS OF TEST SUBJECTS.**

- a) In conjunction with a drug or alcohol test, an individual has the right to provide

notification of any

information which he or she considers relevant to the test, including identification of currently or recently used prescription or nonprescription drugs, or other relevant information.

- b) Any applicant or current employee shall have the right to inspect and obtain a copy of all information and records related to that individual's testing. The Company may make a reasonable charge for the copying of the records.
- c) Any applicant or current employee shall have right to provide any explanation, in confidence, of their own test results.
- d) If the individual receives a confirmed positive on a drug or alcohol test, the individual has the right to challenge the results by requesting a retest of the sample.

- 11) **CONFIDENTIALITY.** All test results and related information are confidential records and will be kept separate from the individual's other personnel records. The records, including those of the testing facility, will not be used in any criminal proceeding, or any civil or administrative proceeding, except in those actions brought by The Company or in any action involving the individual tested and The Company, or unless the records are ordered released pursuant to a valid court order.

The Company will not release an individual's records to any person other than to the individual or those persons

authorized by law, unless the individual, in writing following receipt of the test results, has expressly granted The

Company permission to release the records or pursuant to a valid court order.

- 12) **DISCIPLINARY ACTION.** If an employee or contractor tests positive on a drug or alcohol test, the Company may temporarily suspend or temporarily transfer the individual to another position while confirmation of the second test.

If a positive test result is confirmed by a second test, The Company may take any disciplinary action against the individual, up to and including discharge of an employee.

The Company may take similar disciplinary action against an individual who refuses to undergo a drug or alcohol test. Subject to applicable state law, an employee discharged on the basis of a refusal to undergo drug or alcohol testing or a confirmed positive test result may be considered to have been discharged for misconduct for purposes of unemployment compensation benefits and may be disqualified from unemployment benefits.

In the case of Post Accident Testing (see paragraph "4" above), an employee/1099 discharged on the basis of a confirmed positive test result shall not be eligible for either unemployment compensation or Workers' Compensation unless the employee proves by a preponderance of the evidence that the drugs or alcohol were not the proximate cause of the injury or accident.

- 13) **APPEALS.** As in all cases of job-related problems, concerns or questions regarding The Company's drug and alcohol policy should be referred initially to the employer's supervisor and, if necessary, to the Director of Human Resources. Within The Company, the Director of Human Resources has been designated to answer questions about this policy or any of the attached

materials.

- 14) **EMPLOYEE ASSISTANCE PROGRAM (“EAP”).** The Company will provide an EAP which assists employees who suffer from drug or alcohol abuse and other personal/behavioral problems in securing professional help. An employee should seek such assistance from the EAP before drug or alcohol problems lead to disciplinary action, which can include termination.

The employee’s decision to seek professional help will not be used as the basis for disciplinary action and will not be used against the employee in a disciplinary proceeding. On the other hand, using the EAP will not be a defense to the imposition of disciplinary action.

All employees undergoing an educational or treatment program will be subject to follow-up testing in accordance with paragraph “7” above.



**RCS-22****MEDICAL MARIJUANA**

The Company recognizes that the State of Oklahoma has legalized the use of medical marijuana to properly certified patients under medical care and recommendation. The Company will not discriminate in hiring, impose any term or condition of employment, or otherwise penalize the employee based on his or her status as a medical marijuana license holder or solely based on a positive test for marijuana or its components, so long as the employee has a valid license and recommendation for use of medical marijuana. These protections do not extend to applicants and employees with safety-sensitive job duties including, but not limited to:

- a. the handling, packaging, processing, storage, disposal or transport of hazardous materials,
- b. the operation of a motor vehicle, other vehicle, equipment, machinery or power tools,
- c. repairing, maintaining or monitoring the performance or operation of any equipment, machinery or manufacturing process, the malfunction or disruption of which could result in injury or property damage,
- d. performing firefighting duties,
- e. the operation, maintenance or oversight of critical services and infrastructure including, but not limited to, electric, gas, and water utilities, power generation or distribution,
- f. the extraction, compression, processing, manufacturing, handling, packaging, storage, disposal, treatment or transport of potentially volatile, flammable, combustible materials, elements, chemicals or any other highly regulated component,
- g. dispensing pharmaceuticals,
- h. carrying a firearm, or
- i. direct patient care or direct child care.

Under no circumstances, though, will use of medical marijuana or being under the influence of medical marijuana at the workplace be allowed.

**RCS-23**

**INDEPENDENT CONTRACTOR WORKERS' COMPENSATION RECORDS**

**Required Compliance Standard**

Independent contractors are required to acknowledge upon initial engagement and annually that the Company does not cover them through the Company's worker's compensation insurance. In addition, each independent contractor must certify a worker's compensation affidavit form that will be provided to them with the independent contractor agreement at the start of the business relationship and annually thereafter. (See Exhibit RCS-12.)